

Match Request to the Alpena Board of Commissioners in Support of Economic Development Agency MRF Proposal for \$4M in Capital Funds

REQUEST

By March 25, 2022, a commitment of \$500,000 is needed by the Alpena County Board of Commissioners for utilities and associated engineering work for the Alpena MRF and which also will reduce costs of extending utilities to adjacent parcels slated for economic development. Commitment is being sought so that it can be listed as matching funds for grant being submitted to the Economic Development Agency for \$4M.

BENEFITS TO ALPENA COUNTY OF COMMITTING \$500K

Reduce Utility Costs Associated with Economic Development of Adjacent Parcels at Alpena Airport

The water and electricity line items in the budget for the proposed Alpena County MRF, totaling more than \$800,00 ensure that water and electricity are connected from the airport road to the proposed MRF site at parcel 7, 8, 9, and 20. Extending utilities to the proposed MRF site will ultimately reduce costs to the County that would be required to develop surrounding land parcels as it reduces the distance required to extend utilities from the road to adjacent parcels.

Leverage \$4M in Capital Funding for MRF and Reduce Debt Payments by \$200k Per Year through EDA Grant

A commitment by Alpena County Board of Commissioners of \$500,000 or more, at this time, would support the County in securing \$4M in capital funding for the proposed MRF. Securing a grant of \$4M as opposed to securing low interest loans for this portion of the project is projected to reduce annual debt payment by approximately \$200,000 per year when compared to the current financial model for the facility. This would improve the financial profile of the facility, allow for a longer timeline to ramp up material throughput if needed, and potentially could free up funding for other recycling and waste related needs. Additionally, it reduces reliance on the proposed MOA landfill surcharge (with estimated annual revenue of \$1,470,877), provided greater autonomy to Alpena County if desired.

FUNDING REQUEST AND PROPOSED MATCH

EDA requires a 20% match as part of its funding criteria. Below is the breakdown of funding sources for the project as they will be presented in the proposal.

Amount	Source	Status/Note
\$4,059,563	U.S. Economic Development Agency	Amount being requested in proposal
\$1,000,000	MI Environmental Great Lakes, and Energy Infrastructure Grant	Awarded
\$15,000	Foodservice Packaging Institute	Written commitment
\$15,000	Carton Council	Written commitment
\$500,000	Alpena County ARPA Funds	Requested under review
\$5,589,563	Total Proposed Budget to be included in EDA grant.	

BUDGET TO BE SUBMITTED FOR EDA GRANT

Category	Amount	Comments
Site Work: Utilities (water, electricity, and gas)	\$880,000	Water and electricity are \$820k of utility budget.
Site Work: fill, grading, pavement, & fencing	\$565,500	
11,700 sq ft MRF Building	\$2,215,000	Does not include \$230k in rolling stock.
MRF Equipment and Installation	\$1,187,980	Does not include \$20k for training.
Engineering Fees (7% of Site Work)	\$256,235	
Contingencies (10% of Site Work, Building, & Equipment)	\$484,848	
Total	\$5,589,563	Cost of project is expected to be of greater than budget included in grant as rolling stock and mrf training of \$250k not included and possible overages due to inflation (7%).

EDA PROPOSAL NEED AND PURPOSE

Due to the impacts of COVID and increased incoming volumes the current material recovery facility and the site on which it is located no longer meet the growing needs of the county: the operating conditions are unsafe, the equipment is insufficient to meet the growing volume, and the site has no room for expansion.

To cost-effectively meet state waste diversion targets, preserve remaining landfill space, and meet resident demand, a material recovery facility with capacity to serve the region is needed.

This project will support resident and business recycling in five counties, support meeting statewide goals of achieving a 45% waste diversion rate, reduce reliance on existing landfill, saving valuable remaining space, reduce greenhouse gas emissions, and will create more than five full time jobs at the facility. According to US EPA's WARM tool, the project will create an additional 16,885 labor hours and \$407,000 in wages per year compared to the existing scenario of material being landfilled.

Additionally, the new facility will:

- Provide safer working conditions for recycling processors
- Create new jobs
- Provide processing and transport cost savings to local communities through local processing
- Provide feedstock to MI Industries, growing MI local economy

The requested funding will support the design, engineering, site preparation and construction of a regional material recovery facility and complement the \$1M+ that has been contributed to the development and construction of the new facility from MI Department of Environment, Great Lakes, and Energy, Foodservice Packaging, Institute, and Carton Council, and additional \$500k - \$1M in the process of being secured from Alpena County and the Closed Loop Fund.

PROPOSAL SCOPE

Goal: Construct a 11,700ft² Material Resource Facility to process recyclable materials from 5 counties in NE MI as a feedstock for manufacturing companies

Site Preparation: Once site preparation is complete construction will take place.

Objective One: Construct an 11,700 ft² Material Resource Facility to include a Main Building Complex with Bale storage, Glass Storage, an Office and Maintenance Area.

Task One: Administration

- 1a. Nemcog executes contract with Resource Recycling Systems (RRS) for Design/Engineering, Site Preparation, and Construction Oversight.
- 1b. RRS develops, disseminates, receives, and reviews Request for Bid(s) on Site Prep and Construction of Facility
- 1c. Alpena Resource Recovery Board meets with RRS to review and select Construction Company.
- 1d. RRS develops performance contract, specifying bond amount.
- 1e. NEMCOG enters into contract with Construction Company.
- 1f. RRS applies for all required permits.
- 1g. Accounting is completed throughout project.

Task One A: Site Preparation

The site preparation tasks are as follows:

- 1Aa. Finalize site plan including placement for water, sewer, electric, communications, and roadways.
- 1Ab. Install underground pipes and wires and provide stubs at each connection location
- 1Ac. Grade, place and compact road base
- 1Ad. Place and compact fill to raise MRF building floor
- 1Ae. Pave entry road, main loop and parking areas
- 1Af. Install electrical power transformer

Task Two: Construction of Main Building Complex Center:

- 2a. Construction of Engineered Steel Building with 8" reinforced slab and conveyor pits, 4" knee walls completed.
- 2b. Oversight of construction conducted periodically by RRS.
- 2c. Bale storage with 16" high protected walls completed.
- 2d. Glass storage: bunker with 12" high reinforced concrete walls constructed.
- 2e. Office and amenities completed.
- 2f. Maintenance area completed.
- 2g. Completion of electrical distribution panel and process power drops.
- 2h. Fire suppression is installed. Dry sprinkler system with valve room and pressurization system

Task Three: Business Material Feedstock Center Completion

- 3a. Final Inspections are completed.
- 3b. Fencing/gate is installed for security.
- 3c. Any deficiencies are fixed.

- 3d. Occupancy permit is received.
- 3e. Equipment is installed.
- 3f. Hook-up of Water, Sewer, Broadband- \$ Match
- 3f. Facility is operational.

